Government of Saskatchewan

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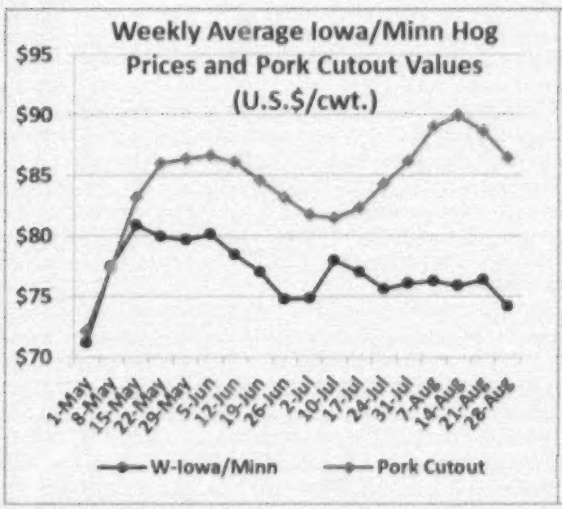
Weekly Hog Report

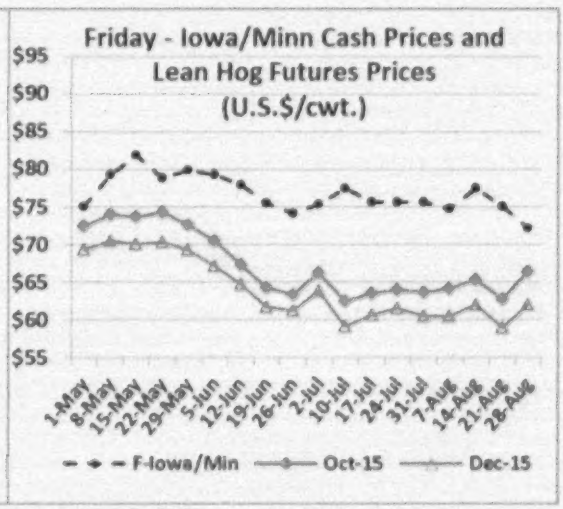
August 31, 2015

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) edged lower over the week and ended the week lower, week-over-week. Hog prices on Friday August 28 averaged US$72.12 per cwt, down US$2.92 per cwt or 3.9 per cent from US$75.04 per cwt the previous Friday. The negotiated base price last week averaged US$74.15 per cwt, down US$2.16 per cwt or 2.8 per cent from US$76.31 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

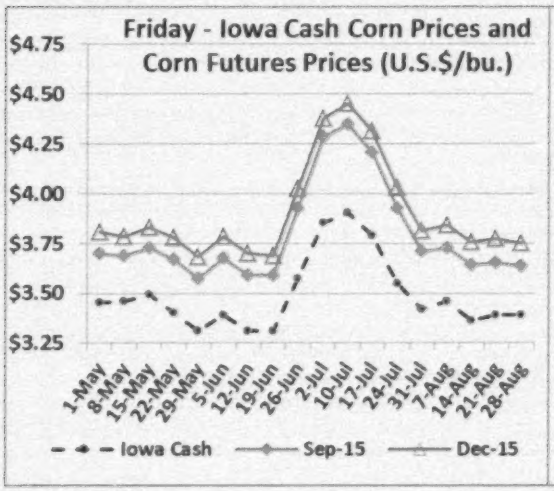
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday August 28, 2015 was $176.71 per ckg, down $4.33 per ckg or 2.4 per cent from $181.04 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $179.90 per ckg, down $4.03 per ckg or 2.2 per cent from the previous weeks' average price of $183.93 per ckg. The Canadian dollar was mixed last week but edged lower on continued global economic uncertainties to close Friday at 75.67 cents; down 0.27 cents from the previous Friday's close of 75.94 cents.

Futures Markets

Lean hog futures daily prices rebounded last week to end the week higher, week-over-week. The nearby October contract increased US$3.600 per cwt to settle Friday at US$66.425 per cwt, while the December contract increased US$3.050 per cwt to settle Friday at US$62.050 per cwt. Current cash hog prices continue to be higher than futures prices, but have narrowed to almost US$6 per cwt higher for the October contract.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices edged higher last week. Weighted average cash prices for iso-weans (12lb) last week were US$21.53 per head, up US$2.49 per head from US$19.04 per head the previous week. Feeders (40lb) were US$37.15 per head, up $1.57 per head from US$35.58 per head the previous week. Feeder hog prices were supported by higher lean hog futures prices over the week.



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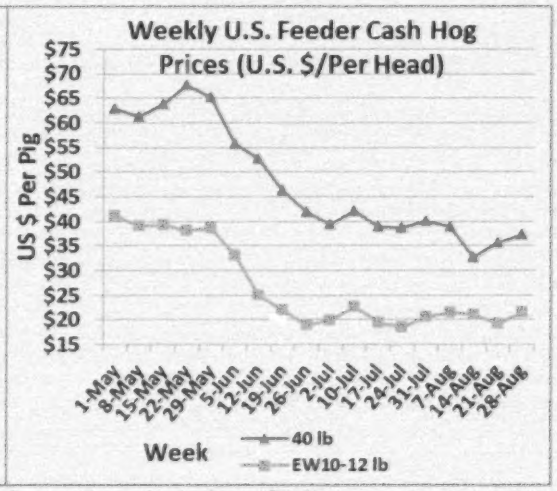

Source: Iowa Agriculture, CME

Iowa cash corn prices were steady last week while the nearby corn futures edged slightly lower. Iowa cash corn prices on Friday were US$3.39 per bushel, unchanged from US$3.39 per bushel the previous Friday. The September corn futures contract declined two cents to settle Friday at US$3.63¼ per bushel, while the December futures contract declined just over two cents to settle Friday at $3.75 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending August 29 were estimated at 2.214 million head, down 0.5 per cent from 2.226 million head the previous week, but up 11.4 per cent from 1.988 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending August 29 averaged 2.195 million head per week, up 10.7 per cent from 1.983 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending August 22, 2015 were estimated at 412,520 head, up 1.1 per cent from 407,892 head the previous week, and up 2.3 per cent from 403,306 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending August 22, 2015, were estimated to average 399,604 head, up 4.0 per cent from 384,228 head over the same period a year ago. Year-over-year, Canadian hogs slaughtered are up 3.0 per cent, at 13.548 million head.

Meat Production

U.S. pork production for the week ending August 29, 2015 was estimated at 462.8 million lb., down 0.7 per cent from 466.0 million lb. the previous week, but up 10.4 per cent from 419.3 million lb. the same week a year ago. Pork production over the last four

weeks ending August 29 was estimated to average 458.9 million lb., up 9.1 per cent from 420.7 million lb. over the same four week period a year ago.

U.S. beef production for the week ending August 22 was estimated at 452.4 million lb., up 1.4 per cent from 446.0 million lb. the previous week, but down 5.2 per cent from 477.2 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending August 22, 2015, was estimated to average 2.001 billion lb., up 2.5 per cent from 1.952 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2015 is estimated to be up 3.7 per cent compared to the same period in 2014.

United States Weekly Meat Production

(Aug. 22) Four Week Average - Million Lb.			Percent Change	
	2014	2015	4 Week	YTD 2015
Pork	415.5	454.2	9.3%	7.8%
Beef	471.6	445.8	-5.5%	-4.2%
Chicken	929.0	982.5	5.8%	6.8%
Turkey	136.2	118.8	-12.7%	-2.7%
Total	**1,952.2**	**2,001.3**	**2.52%**	**3.71%**

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending August 29, 2015 averaged US$86.46 per cwt, down US$2.13 per cwt or 2.4 per cent from US$88.59 per cwt the previous week, and down 15.0 per cent from US$101.67 per cwt from a year ago. Seasonally, pork cutout values typically trend lower into the fourth quarter with larger pork supplies; and this year will likely be no exception.

Choice beef cutout prices (600-900 lb.) averaged US$243.97 per cwt for the week ending August 29, 2016, down US$1.78 per cwt or 0.7 per cent from US$245.75 per cwt the previous week, and down 1.5 per cent from US$247.75 per cwt the same week a year ago. While beef cutout values are currently below year-ago record levels, cutout prices are still strong and well above the 10-year average.

Average chicken cutout values (Northeast breast) for the week ending August 29, 2015 averaged US$144.63 per cwt, down US$0.68 per cwt or 0.5 per cent from US$145.31 per cwt the previous week, and down 21.1 per cent from US$183.30 per cwt the same week a year ago.

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